

Message Text

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PAGE 01 STATE 063204

47

ORIGIN AF-06

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DRAFTED BY AF/C:RRSTRAND:GJB

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FM SECSTATE WASHDC

TO AMEMBASSY KINSHASA

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E.O. 11652: N/A

TAGS: EFIN, CG

SUBJECT: MORGAN GUARANTEE AND TRUST

REF: KINSHASA 2007

1. WHEN MORGAN GUARANTEE VICE PRESIDENT FOR AFRICAN OPERATIONS, FITZPATRICK, CALLED AF/C MARCH 19 TO DISCUSS FINANCIAL SITUATION IN ZAIRE WE TOOK OCCASION TO RELATE MOBUTU'S FULMINATION AGAINST "MORGAN" BANK (REFTEL) AND OUR ASSUMPTION THAT HE HAD PROBABLY BEEN REFERRING TO MORGAN GRENFELL. NOT SO, SAID FITZPATRICK, AND EXPLAINED THAT IN MID-FEBRUARY, WHILE HE WAS IN ANGOLA, "THE LAWYERS" HAD SENT AN INJUDICIOUSLY WORDED LETTER TO THE BANK OF ZAIRE ABOUT ITS OVERDRAFT FOR OIL PAYMENTS AND ITS FAILURE TO ANSWER REPEATED ENQUIRIES ABOUT THE MATTER. THE ENGLISH TEXT HAD BEEN OK, BUT THE FRENCH TRANSLATION HAD CONTAINED SUCH PHRASES AS "NOUS EXIGEONS" AND "NOUS INSISTONS". FITZPATRICK THINKS THE AIR WAS CLEARED SOMEWHAT BY HIS SUBSEQUENT VISIT TO KINSHASA, WHERE HE WAS UNABLE TO SEE SAMBWA BUT DID TALK WITH VICE GOVERNOR NSELE AND STATE COMMISSIONER FOR ECONOMY MAMBU, WITH BOTH OF WHOM HE HAS WORKED IN THE PAST AS A MEMBER OF THE BOARD OF

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PAGE 02 STATE 063204

SOFIDE. SINCE RETURNING TO NEW YORK, FITZPATRICK HAS

WRITTEN TO NSELE SUGGESTING THAT THE BOZ TRY TO PAY ITS DEBT TO MORGAN GUARANTEE WHEN IT RECEIVES ITS DRAWING FROM THE IMF OIL FACILITY. HE HAS HAD A POLITE IF NONCOMMITAL REPLY--THE ONLY ANSWER TO ANY OF ITS MESSAGES MORGAN HAS RECEIVED FROM THE BANK OF ZAIRE THIS YEAR.

2. THE BOZ OVERDRAFT INVOLVED IS NOW ABOUT 12 MILLION DOLLARS AND REPAYMENT OF MOST OF IT HAS BEEN DUE SINCE SOMETTME IN JANUARY. IN MID-FEBRUARY MORGAN REFUSED BOZ REQUESTS FOR ADDITIONAL OVERDRAFTS. FITZPATRICK DOES NOT RPT NOT WISH EMBASSY TO MAKE ANY REPRESENTATIONS ON ITS BEHALF AT THIS TIME. INGERSOLL

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